

cent of the cost of the activity funded under subsection (a) of this section.

(2) Factors

In determining the amount of a grant or loan, the Secretary shall take into consideration, as applicable—

- (A) the type of renewable energy system to be purchased;
- (B) the estimated quantity of energy to be generated by the renewable energy system;
- (C) the expected environmental benefits of the renewable energy system;
- (D) the extent to which the renewable energy system will be replicable;
- (E) the amount of energy savings expected to be derived from the activity, as demonstrated by an energy audit comparable to an energy audit under section 8105 of this title;
- (F) the estimated length of time it would take for the energy savings generated by the activity to equal the cost of the activity; and
- (G) other factors as appropriate.

(d) Interest rate

(1) In general

A loan made by the Secretary under subsection (a) of this section shall bear interest at the rate equivalent to the rate of interest charged on Treasury securities of comparable maturity on the date the loan is approved.

(2) Duration

The interest rate for each loan will remain in effect for the term of the loan.

(e) Consultation

In carrying out this section, the Secretary shall consult with the Secretary of Energy.

(f) Funding

Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section \$23,000,000 for each of fiscal years 2003 through 2006 and \$3,000,000 for fiscal year 2007.

(Pub. L. 107–171, title IX, §9006, May 13, 2002, 116 Stat. 482; Pub. L. 109–171, title I, §1301, Feb. 8, 2006, 120 Stat. 6.)

AMENDMENTS

2006—Subsec. (f). Pub. L. 109–171 substituted “2006 and \$3,000,000 for fiscal year 2007” for “2007”.

§ 8107. Hydrogen and fuel cell technologies

(a) In general

The Secretary and the Secretary of Energy shall enter into a memorandum of understanding under which the Secretary and the Secretary of Energy shall cooperate in the application of hydrogen and fuel cell technology programs for rural communities and agricultural producers.

(b) Dissemination of information

Under the memorandum of understanding, the Secretary shall work with the Secretary of Energy to disseminate information to rural communities and agricultural producers on potential applications of hydrogen and fuel cell technologies.

(Pub. L. 107–171, title IX, §9007, May 13, 2002, 116 Stat. 483.)

§ 8108. Continuation of bioenergy program

(a) Definitions

In this section:

(1) Bioenergy

The term “bioenergy” means—

- (A) biodiesel; and
- (B) fuel grade ethanol.

(2) Biodiesel

The term “biodiesel” means a monoalkyl ester that meets the requirements of an appropriate American Society for Testing and Materials standard.

(3) Eligible commodity

The term “eligible commodity” means—

- (A) wheat, corn, grain sorghum, barley, oats, rice, soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard, crambe, sesame seed, and cottonseed;
- (B) a cellulosic commodity (such as hybrid poplar and switch grass);
- (C) fats, oils, and greases (including recycled fats, oils, and greases) derived from an agricultural product; and
- (D) any animal byproduct (in addition to oils, fats, and greases) that may be used to produce bioenergy, as determined by the Secretary.

(4) Eligible producer

The term “eligible producer” means a producer that uses an eligible commodity to produce bioenergy.

(b) Bioenergy Program

(1) Continuation

The Secretary shall continue the program under part 1424 of title 7, Code of Federal Regulations (or any successor regulation), under which the Secretary makes payments to eligible producers to encourage increased purchases of eligible commodities for the purpose of expanding production of such bioenergy and supporting new production capacity for such bioenergy.

(2) Contracts

To be eligible to receive a payment, an eligible producer shall—

- (A) enter into a contract with the Secretary to increase bioenergy production for 1 or more fiscal years; and
- (B) submit to the Secretary such records as the Secretary may require as evidence of increased purchase and use of eligible commodities for the production of bioenergy.

(3) Payment

(A) In general

Under the program, the Secretary shall make payments to eligible producers, based on the quantity of bioenergy produced by the eligible producer during a fiscal year that exceeds the quantity of bioenergy produced by the eligible producer during the preceding fiscal year.

(B) Payment rate

(i) Producers of less than 65,000,000 gallons

An eligible producer that produces less than 65,000,000 gallons of bioenergy shall be

reimbursed 1 feedstock unit for every 2.5 feedstock units of eligible commodity used for increased production.

(ii) Producers of 65,000,000 or more gallons

An eligible producer that produces 65,000,000 or more gallons of bioenergy shall be reimbursed 1 feedstock unit for every 3.5 feedstock units of eligible commodity used for increased production.

(C) Quarterly payments

The Secretary shall make payments to an eligible producer for each quarter of the fiscal year.

(4) Proration

If the amount made available for a fiscal year under subsection (c) of this section is insufficient to allow the payment of the amount of the payments that eligible producers (that apply for the payments) otherwise would receive under this subsection, the Secretary shall prorate the amount of the funds among all such eligible producers.

(5) Overpayments

If the total amount of payments that an eligible producer receives for a fiscal year under this section exceeds the amount that the eligible producer should have received under this subsection, the eligible producer shall repay the amount of the overpayment to the Secretary, with interest (as determined by the Secretary).

(6) Limitation

No eligible producer shall receive more than 5 percent of the total amount made available under subsection (c) of this section for a fiscal year.

(7) Other requirements

To be eligible to receive a payment under this subsection, an eligible producer shall meet other requirements of Federal law (including regulations) applicable to the production of bioenergy.

(c) Funding

Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section—

- (1) not more than \$150,000,000 for each of fiscal years 2003 through 2006; and
- (2) \$0 for fiscal year 2007.

(Pub. L. 107-171, title IX, §9010, May 13, 2002, 116 Stat. 485.)

§ 8109. Research, extension, and educational programs on biobased energy technologies and products

(a) Purposes

The purposes of the programs established under this section are—

- (1) to enhance national energy security through the development, distribution, and implementation of biobased energy technologies;
- (2) to promote diversification in, and the environmental sustainability of, agricultural production in the United States through biobased energy and product technologies;

(3) to promote economic diversification in rural areas of the United States through biobased energy and product technologies; and

(4) to enhance the efficiency of bioenergy and biomass research and development programs through improved coordination and collaboration between the Department of Agriculture, the Department of Energy, and the land-grant colleges and universities.

(b) Definitions

In this section:

(1) Land-grant colleges and universities

The term “land-grant colleges and universities” means—

- (A) 1862 Institutions (as defined in section 7601 of this title);
- (B) 1890 Institutions (as defined in section 7601 of this title) and West Virginia State College; and
- (C) 1994 Institutions (as defined in section 7601 of this title).

(2) Secretary

The term “Secretary” means the Secretary of Agriculture.

(c) Establishment

To carry out the purposes described in subsection (a) of this section, the Secretary shall establish programs under which—

- (1) the Secretary shall provide grants to sun grant centers specified in subsection (d) of this section; and
- (2) the sun grant centers shall use the grants in accordance with this section.

(d) Grants to centers

The Secretary shall use amounts made available for a fiscal year under subsection (j) of this section to provide a grants in equal amounts to each of the following sun grant centers:

(1) North-central center

A north-central sun grant center at South Dakota State University for the region composed of the States of Illinois, Indiana, Iowa, Minnesota, Montana, Nebraska, North Dakota, South Dakota, Wisconsin, and Wyoming.

(2) Southeastern center

A southeastern sun grant center at the University of Tennessee at Knoxville for the region composed of—

- (A) the States of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia;
- (B) the Commonwealth of Puerto Rico; and
- (C) the United States Virgin Islands.

(3) South-central center

A south-central sun grant center at Oklahoma State University for the region composed of the States of Arkansas, Colorado, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, and Texas.

(4) Western center

A western sun grant center at Oregon State University for the region composed of—

- (A) the States of Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah, and Washington; and